

## Behind India's biggest REIT IPO: Here is all you need to know about Knowledge Realty Trust

Knowledge Realty Trust IPO: Real estate investment trusts own and operate income-generating real estate or related assets, with investments from individual retail investors



By [Nachiket Kelkar](#) Updated: March 07, 2025 14:27 IST



A view of Mumbai overlooking the Mahim Bay | Shutterstock

Real estate investment trusts (REITs) typically offer a great platform for investors looking to enter the commercial real estate space. Compared to various global markets, the Indian REIT market is small, with four large listed players and one REIT in the small and medium space. Soon, there will be a fifth large player, and it will be the largest REIT in India in terms of net operating income.

Bengaluru-based real estate developer Sattva Group and the world's largest alternative assets manager BlackStone have filed papers for an initial public offering to raise around ₹7,000 crore.

The Knowledge Realty Trust, which is backed by Sattva and Blackstone, has a portfolio of 48 million square feet (including 37 million square feet completed) across 30 Grade A office assets in 6 cities.

Almost 95 per cent of the value is concentrated in the top three office markets—Bengaluru, Hyderabad, and Mumbai. Notably, 90 per cent of the area is leased with marquee tenants, of which 45 per cent is in the rapidly growing global capability centres (GCC) space, and 76 per cent has been leased to multinational corporations. In terms of the leasable area, this will be the second largest REIT in Asia.

Importantly, Blackstone has already been a sponsor of three of the four listed REITs in India. It had launched India's first REIT—Embassy Office Parks REIT—raising around ₹4,750 crore through a listing in 2019. The second BlackStone-backed REIT was that of Mindspace Business Parks, which raised around ₹4,500 crore in an IPO in 2020. It has already exited the Mindspace REIT. Blackstone had also backed the retail REIT, Nexus Select Trust, which was listed in 2023.

REITs are companies that typically own and operate income-generating real estate or related assets, such as large office complexes, hotels, logistics parks, shopping centres, residential apartments and student housing. REITs provide an excellent opportunity for individual retail investors to invest in quality real estate, without the need to actually buy and manage the entire property.

REITs usually lease space, often long-term, and the income that they earn through it is then equally distributed among unitholders of the REIT as dividends.

Out of the four large REITs in India, Embassy Office Parks is the largest with a total portfolio of 45.4 million square feet, followed by Mindspace Business Parks, which has 33.1 million square feet. Brookfield India Real Estate Trust has 25.4 million square feet and Nexus Select has 9.9 million square feet of retail and 1.3 million square feet of office space.

As per data from the Indian REITs Association, the four large REITs distributed ₹1,505 crore to unitholders in the October-December quarter. In the July-September quarter, they had distributed ₹1,383 crore and in the April-June quarter, it was ₹1,371 crore. Since their inception, these four REITs have distributed over ₹21,000 crore to unitholders.

India's REIT market is significantly small compared to many other developed markets. For instance, Singapore alone has over 40 REITs. The United States of America has around 200 REITs.

REIT returns over the past year (up to March 6) returns have been mixed; Embassy Office Parks REIT was down 4.8 per cent, Mindspace was up 6.8 per cent and Brookfield gained over 17 per cent. Nexus Select rose around 5.6 per cent. In comparison, the BSE Realty index was down around 11.8 per cent.